Setting up of Free Trade Zone at Visakhapatnam

248. SHRI B. SATYANARAYAN REDDY:

SHRI PARVATHANENI UPENDRA:

Will the Minister of COMMERCE be pleased to state:

(a) what are the details of the Free Trade Zones set up by Government so far;

(b) whether Government are aware that some Members of Parliament from Andhra Pradesh had submitted a memorandum to the Prime Minister in May last stressing the necessity for setting up a Free Trade Zone at Visakhapatnam; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH): (a) I. There are two existing and functioning export processing Zones;

(1) Santacruz Electronics Export Processing Zones, Bombay.

(2) Kandla, Free Trade Zone Gandhidham. Four new Zones are in the process of being established;

(1) Falta Export Processing Zone, Falta (West Bengal).

(2) Madras Export Processing Zone, Madras.

(3) Cochin Export Processing Zone, Cochin.

(4) NOIDA Export Processing Zone. NOIDA (U.P.).

(b) Yes, Sir.

(c) Due to resources constraints, it has not been feasible so far to include any new export processing zone scheme in the 7th Five Year Plan programme. In case it is decided to have any other new Zones the claim of Visakhapatnam would be considered alongwith other proposals.

Proposal to Build up New Hotels under Joint Sector Management

249. SHRI T. CHANDRASEKHAR REDDY: Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state:

(a) whether it is a fact that the India Tourism Development Corporation is proposing to enter into joint sector management with various north-eastern States and Union Territories to build up new hotels for the tourists;

(b) if so, what are the details thereof; and

(c) what steps are being taken at present to boost tourism in that region?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT): (a) and (b) Under its Joint Venture Scheme ITDC has decided to set up the following hotels in the North-eastern States/Union Territories:—

(1) One 50-roomed 3-star hotel at Guwahati at an estimated cost of Rs. 195 lakhs in collaboration with the State Government of Assam.

(2) One 20-roomed 1-2 star hotel at Itanagar at an estimated cost of Rs. 80 lakhs in collaboration with Arunachal Pradesh Industrial Development and Financial Corporation Limited.

(c) Various important tourist spots in the North-Eastern region have been duly publicised through brochures, pamphlets, directories, folders maps, etc. Some steps to improve tourist infrastructure at some places in the region are under contemplation.

Assessment of States Budgetary Position

250. SHRI T. CHANDRASEKHAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have made any assessment about the States' budgetary position;

(b) if so, what is the assessment for the last two years and for the current year;

(c) whether the State Governments have fulfilled the fiscal targets for the Sixth Plan; if so, what are the details thereof; and

(d) what directives the Central Government have given to the State Governments for filling up the fiscal gap for the Seventh Plan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) The assessment of States' budgetary resources is undertaken annually in the Planning Commission where the Ministry of Finance are also associated.

(b) and (c) Two statements showing the financing of State Plans during the years 1983-84, 1984-85, 1985-86 as assessed as also the latest estimates for the Sixth Plan as compared to the original allocation are enclosed.

(d) The 7th Five Year Plan for the States has been funded fully as such the question of taking new steps to fill the gap do not arise at present.

Statement-I

The Financing of State Plans during 1983-84, 1984-85 *and* 1985-86

(*Rs. Crores*)

	Items	1983-84 (Actuals)	1984-85 (L.E.)	1985-86 (Estimates)
1	States Budgetary resources and contribution of Public Enterprises	4671·37	4622·73	4649·46
2	Market Borrowing	1027·18	1328·71	1591·65
3	Negotiated Loans	523·47	643·74	791·74
4	Central assistance (Net)	2685·39	3932·05	5629·15†
5	Total resources	8907·41	10527·23	12662·00
6	Plan outlays	9636·29	11934·78	12662·00
	Deficit (—)	(—)728·88	(—)1407·55	..

†Includes Non-Plan loan of Rs. 75·62 crores to Punjab for financing Annual Plan.

Statement II

The Financing of States 6th Plan (1980-85)

(*Rs. Crores*)

	Items	6th Plan	
		Originally approved	L.E.
	1	2	3
1	States Budgetary resources and contribution of Public enterprises	26028	19332
2	Market Borrowing	4500	4719
3	Negotiated Loans	2722	2582

1	2	3
4 Central assistance	13995	16158
Total (1–4)	47245	42791
5 Area Development Programmes like NEC, Hill Areas, Tribal Areas etc.	1355	1409
6 Uncovered gap/Deficit	..	4757
7 Advance Plan assistance for Natural Calamities	..	1175
TOTAL RESOURCES/PLAN OUTLAYS	48600	50132

Review of On-Going Projects to contain Inflation

251. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that with a view to bringing utmost economy in expenditruc and effectively conain inflationary pressure Government are planning to review all on-going projects so that projects no longer relevant in today's context could be abandoned or abridged;

(b) if so, whether Government have identified any such schemes of projects; and

(c) if the answer to part (b) above be in the affirmative, what are the details theref State-wise, the total allotment made on such projects and the total amount already spent on them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) A Working Group has been set up under the Chairman-ship of the Cabinet Secretary to review all on-going activities and organisations and to dis-continue such of those as have lost their utility. It is a continuing process and the results of such a review will be know in due coures of time.

(c) Sinee the review is in respect of Central Government the Question does not arise.

Customs Duty on Drugs

252. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is an anomaly in the customs tariff between drug and drug intermediates;

(b) what are the reasons for preference to lower rate of custom duty on imported drugs rather than on drug intermediates from which these drugs are made;

(c) whether it is also a fact that this has badly affected the domestic production; and

(d) what action Government have taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Drugs fall within Chapter 29 or 30 of the First Schedule to the Customs Tariff Act, 1975 and drug inter mediates generally fall within Chapter 29 of the First Schedule. While the general statutory basic duty on items covered by these Chapters is 100 per cent, drugs generally carry an effective basic duty of 60 per cent *ad-valorem*, and drug intermediates 70 per cent *ad-valorem*, Auxiliary duty at the rate of 40 per cent *ad-valorem* and additional (countervailing) duty equal to Central Excise duty are leviable in addition. However, due to various specified